

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 INT-08 SCEM-02 COME-00 CIAE-00

DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01

SPC-03 AF-10 NEA-10 OMB-01 AID-20 NSC-10 CIEP-02

TRSE-00 SS-20 STR-08 CEA-02 L-03 IO-14 DRC-01 /182 W

----- 115257

P 132111Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 2080

INFO ALL AMCONSULS IN CANADA

LIMITED OFFICIAL USE OTTAWA 2680

E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: ASSURANCES ON CANADIAN OIL SHIPMENTS TO U.S.

1. TORONTO GLOBE AND MAIL OF NOVEMBER 13 REPORTS EXTAFF MINISTER SHARP'S PUBLIC ASSURANCES THAT CANADA WILL NOT RPT NOT HALT OIL SHIPMENTS TO THE UNITED STATES. INTERVIEW WITH SHARP REPORTEDLY OCCURRED IN CONNECTION WITH A RECENT SPEECH TO CANADIAN CLUB IN TORONTO MADE BY GEORGE BALL, FORMER UNDER SECRETARY OF STATE, IN WHICH HE IS SAID TO HAVE WARNED THAT A HALT IN EXPORTS COULD RESULT IN "SUCH A FOOLISH ACT OF RETALIATION AS TO SHUT THE PORTLAND, ME. TERMINAL OF THE PIPELINE THAT SUPPLIES MONTREAL WITH CRUDE OIL."

2. PERTINENT PORTIONS OF NEWS ARTICLE ARE AS FOLLOWS:

BEGIN TEXT

CANADA WILL NOT STOP OIL SHIPMENTS TO THE UNITED STATES TO APPEASE ARAB STATES, EXTERNAL AFFAIRS MINISTER MITCHELL SHARP SAID IN AN INTERVIEW YESTERDAY.

HE MADE THE STATEMENT AFTER GEORGE BALL, FORMER U.S.

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UNDERSECRETARY OF STATE, WARNED IN A SPEECH THAT IF CANADA

HALTED EXPORTS TO THIS COUNTRY THE UNITED STATES MIGHT CUT  
OFF CANADIAN SUPPLIES FLOWING THROUGH ITS TERRITORY.

MR. SHARP SAID HE TOLD MR. BALL DURING THE CANADIAN CLUB  
LUNCH: "I THINK YOU CAN BE REASSURED THAT CANADA WOULD NOT  
CUT OFF SHIPMENTS TO THE UNITED STATES TO APPEASE THE ARABS."

HE SAID THAT DESPITE STATEMENTS BY ENERGY MINISTER DONALD  
MACDONALD THERE HAS BEEN NO CABINET DECISION TO FREEZE  
CONSIGNMENTS REFINED AT COME-BY-CHANCE, NFLD., AND PRE-SOLD  
TO THE EASTERN UNITED STATES. OIL SURPLUS TO CANADIAN NEEDS  
WILL STILL BE EXPORTED, HE STATED.  
END OF TEXT

3. SHARP ALSO REPORTED TO HAVE SAID THAT WHILE HE DIDN'T  
THINK BALL WAS CARRYING A DIRECT MESSAGE FROM WASHINGTON,  
HE WAS PROBABLY BEING KEPT AWARE OF WASHINGTON FEELING ON  
THE SUBJECT.

4. MONTREAL GAZETTE OF NOVEMBER 12. CARRIES ARTICLE IN  
WHICH ENERGY, MINES AND RESOURCES ADVISOR SCOTLAND INDICATES  
CANADA WOULD GAIN NOTHING THIS WINTER BY CUTTING OFF SHIPMENTS  
TO U.S. BECAUSE THE OIL WOULD JUST SIT IN THE GROUND -- "OUR  
REAL PROBLEM NOW IS ONE OF DISTRIBUTION."

5. IN SAME GAZETTE ARTICLE, AN UNIDENTIFIED GOC OFFICIAL IS  
QUOTED AS SAYING THAT CANADA COULD WELL BE EMBARGOED BY  
MIDDLE EAST PRODUCERS REGARDLESS OF ACTIONS TAKEN VIS A VIS  
THE UNITED STATES. "THERE IS A STRONG ELEMENT OF PUBLIC  
FEELING THAT PERHAPS WE SHOULD DO SOMETHING TO ASSIST THE  
UNITED STATES," AND THE OFFICIAL ALSO ADDED THAT HE SAW LITTLE  
USE IN "TRYING TO PLEASE A VERY DOUBTFUL FRIEND (ARABS)  
AND DISPLEASE A VERY GOOD ONE (U.S.)."

6. COMMENT: BEGIN LIMITED OFFICIAL USE - THE SHARP ASSURANCES  
NOTED ABOVE ARE STRONGEST PUBLIC INDICATION EMBASSY HAS SEEN  
OF GOC POSITION ON OIL SHIPMENTS TO U.S. IN LIGHT OF ARAB  
EMBARGO AND THREATS AGAINST COUNTRIES SUPPLYING U.S.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTS, EXPORT CONTROLS, PETROLEUM TRANSPORTATION, PETROLEUM PIPELINES, ECONOMIC WARFARE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 SEP 2001  
**Review Event:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ASSURANCES ON CANADIAN OIL SHIPMENTS TO U.S.  
**TAGS:** ENRG, CA, US  
**To:** STATE  
**Type:** TE  
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